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April 7, 2005

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Cotton Valley Formation, Reservoir A, SUGAR
CREEK FIELD, Claiborne Parish, Louisiana.

Dear Sir:

SUGAR CREEK PRODUCING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Sugar Creek Field, Claiborne Parish, Louisiana:

1. To authorize Applicant to drill, designate and utilize a substitute unit well for CV RA SUG at the location shown on the attached plat, in exception to the well spacing provisions of Office of Conservation Order No. 23-P, effective November 21, 1978.
2. To find that the proposed substitute unit well is necessary to efficiently and economically drain a portion of the Cotton Valley Formation, Reservoir A, underlying CV RA SUG which cannot be efficiently and economically drained by any existing well on such unit.
3. To designate Applicant as operator of CV RA SUG.
4. To discuss such other matters as may be pertinent to this application.

The Cotton Valley Formation, Reservoir A, in the Sugar Creek Field, Claiborne Parish, Louisiana, was defined in Office of Conservation Order No. 23-P, effective November 21, 1978.

Pertinent data concerning this application is available for inspection at the offices of Sugar Creek Producing Company, One Texas Centre, 415 Texas Street, Suite 410, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. David Lovall at (318) 221-2899, during normal business hours in order to arrange a date and time for such inspection. A

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copy of any such data which is not otherwise available at the Office of Conservation can be obtained from Applicant at the expense of the requesting party.

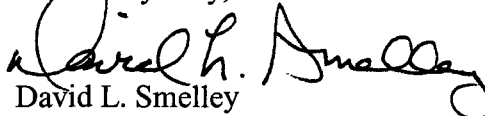
As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of the attached plat, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to the Interested Owners, Represented Parties and Interested Parties, as shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plat at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sugar Creek Field, all in accordance with the Revised Rules of Procedure. Furthermore, Applicant will mail a copy of the Legal Notice to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,

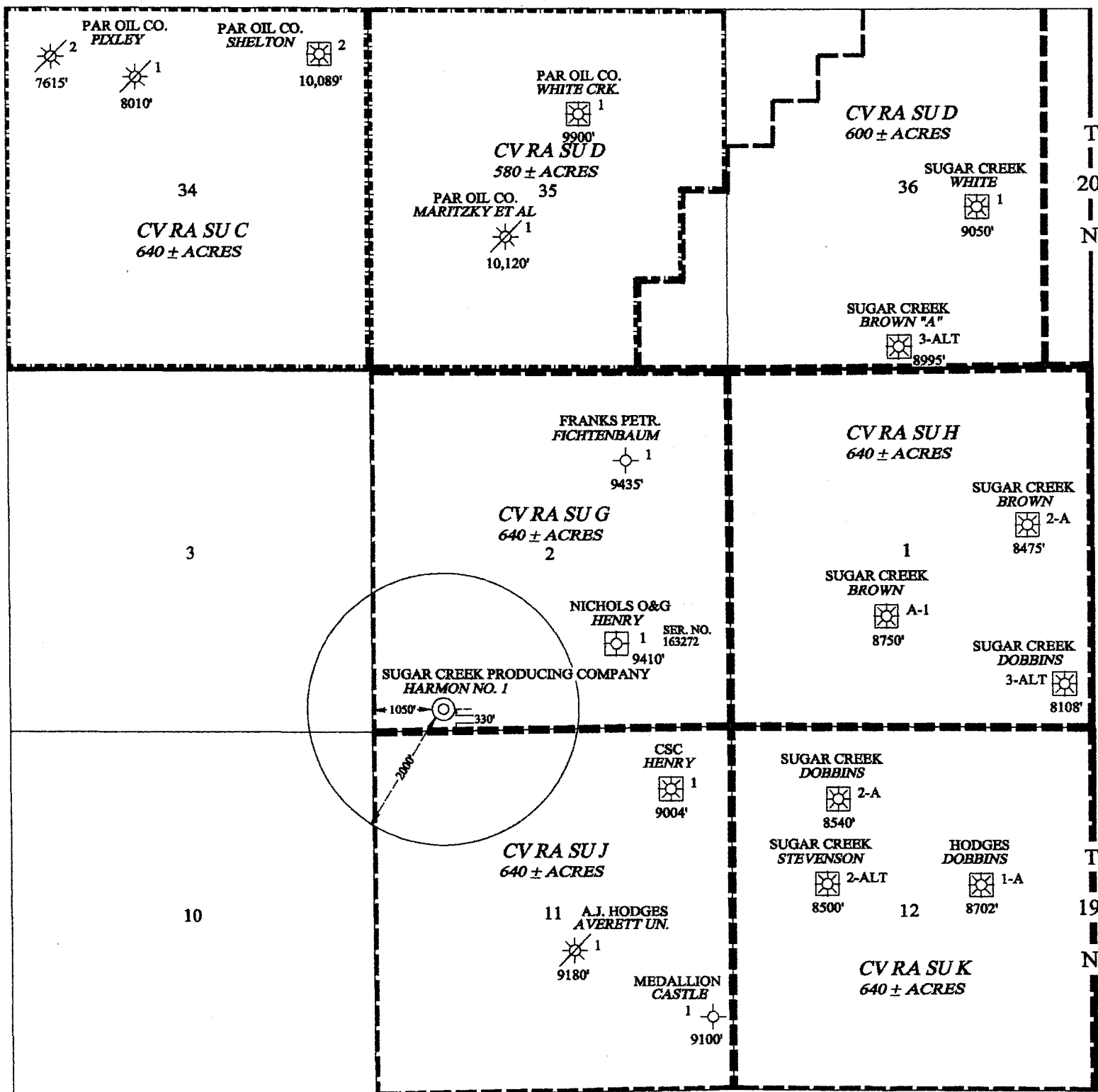

David L. Smelley

-- Attorney for Sugar Creek Producing Company

DLS:dp
Enclosures

cc: Mr. Jim Broussard (w/encls.)
Mr. David Lovall (w/encls.)
Interested Owners, Represented
Parties and Interested Parties (w/plat only)

R 6 W





EXHIBIT NO. 1

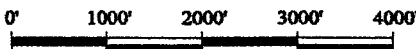
DOCKET NO. _____

SUGAR CREEK PRODUCING COMPANY SHREVEPORT, LOUISIANA

SUGAR CREEK FIELD CLAIBORNE PARISH, LOUISIANA

PROPOSED SUBSTITUTE UNIT WELL AT EXCEPTIONAL LOCATION FOR COTTON VALLEY RESERVOIR A SAND UNIT G

-  : PROPOSED CV RA SU G SUBSTITUTE UNIT WELL
 : EXISTING UNIT OR ALT. & SUB. UNIT WELLS
 : EXISTING COTTON VALLEY SAND UNITS
 : EXISTING ATHENS FIELD SAND UNIT



GRAPHIC SCALE

ONLY WELLS PENETRATING THE COTTON VALLEY ARE SHOWN.